

WATERWORKS DISTRICT #7  
OF EAST FELICIANA PARISH  
CLINTON, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT  
AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2001  
WITH SUPPLEMENTAL INFORMATION SCHEDULES

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other interested public officials. The report is available for public inspection at the State House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/9/12

PHIL T. GRAHAM

CERTIFIED PUBLIC ACCOUNTANT  
(A Professional Accounting Corporation)

WATERWORKS DISTRICT #7  
OF EAST FELICIANA PARISH  
CLINTON, LOUISIANA  
GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011

WATERWORKS DISTRICT #7  
OF EAST FELICIANA PARISH  
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September 28, 2001

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Waterworks District #7  
East Feliciana Parish  
Clinton, Louisiana

I have audited the accompanying general purpose financial statements of

### WATERWORKS DISTRICT #7 OF EAST FELICIANA PARISH

A component unit of East Feliciana Parish Police Jury, as of and for the year ended June 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of Waterworks District #7 of East Feliciana Parish's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Waterworks District #7 of East Feliciana Parish as of June 30, 2001, and the results of its operations and the cash flows for the year ended in conformity with accounting principles generally accepted in the United States of America.

**INDEPENDENT AUDITOR'S REPORT  
(CONCLUDED)**

In accordance with Government Auditing Standards, I have also issued my report dated September 28, 2001 on my consideration of Waterworks District #7 of East Feliciana Parish's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the general purpose financial statements of Waterworks District #7 of East Feliciana Parish. Such information, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, in my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.



**WATERWORKS DISTRICT #7 OF EAST FLORIANA, PARKER**  
**BALANCE SHEET**  
**JUNE 30, 2001**  
**(WITH COMPARATIVE DATA AS OF JUNE 30, 2000)**

**ASSETS**

	<u>2001</u>	<u>2000</u>
<b><u>CURRENT ASSETS</u></b>		
Cash - operating	\$ 71,489	\$ 42,626
Less: restricted cash	(5,212)	(6,044)
Accounts receivable (net of allowance for doubtful accounts of \$28,200 for 2001 and \$19,100 for 2000)	27,339	24,262
Prepaid insurance	<u>2,552</u>	<u>3,857</u>
	<u>96,168</u>	<u>64,701</u>
<b><u>RESTRICTED ASSETS</u></b>		
Cash:		
Reserve fund	17,324	14,796
Depreciation fund	22,246	19,555
Restricted portion of current cash accounts	<u>3,212</u>	<u>6,044</u>
	<u>42,782</u>	<u>40,395</u>
<b><u>PROPERTY, PLANT AND EQUIPMENT</u></b>		
Land and land lease	9,500	9,500
Water utility system	1,880,422	1,821,489
Less: accumulated depreciation	<u>(1368,281)</u>	<u>(1317,803)</u>
	<u>1,521,639</u>	<u>1,563,186</u>
 <b>Total Assets</b>	 <b><u>\$ 1,665,377</u></b>	 <b><u>\$ 1,667,472</u></b>

The accompanying notes are an integral part of the financial statements.

# LIABILITIES, RESERVES, AND RETAINED EARNINGS

	<u>2001</u>	<u>2000</u>
<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable	\$ 18,335	\$ 19,496
Customer deposits	22,775	19,825
Current portion of bond payable	8,707	8,219
Accrued payroll taxes	7	9
Sales tax payable	<u>797</u>	<u>874</u>
	<u>48,621</u>	<u>48,423</u>
<b><u>NON-CURRENT LIABILITIES</u></b>		
Revenue bonds payable less current portion	<u>613,352</u>	<u>622,041</u>
<b>Total Liabilities</b>	<u>661,954</u>	<u>670,467</u>
<b><u>EQUITY</u></b>		
Contributed capital -		
governmental grants	1,189,600	1,184,100
Contributions in aid of construction	<u>7,188</u>	<u>7,188</u>
	<u>1,196,788</u>	<u>1,191,288</u>
<b><u>FUND BALANCES</u></b>		
Reserve for depreciation fund	31,576	19,566
Reserve for revenue rate fund	25,206	21,034
Retained earnings (deficit)	<u>(218,145)</u>	<u>(205,388)</u>
	<u>(161,363)</u>	<u>(164,888)</u>
<b>Total Equity</b>	<u>1,065,317</u>	<u>1,006,532</u>
<b>Total Liabilities, Reserves and Equity</b>	<u>\$ 1,695,271</u>	<u>\$ 1,697,007</u>

**WATERWORKS DISTRICT #2 OF EAST FELTANA PARISH**  
**STATEMENT OF RETAINED EARNINGS**  
**FOR THE YEAR JUNE 30, 2001**  
**(WITH COMPARATIVE DATA AS OF JUNE 30, 2000)**

	UNRESERVED RETAINED EARNINGS (DEFICIT)	RESERVED RETAINED EARNINGS FOR BOND SERVICE AND CONSTRUCTION	TOTAL RETAINED EARNINGS (DEFICIT)
Balance June 30, 1999	<u>\$ (183,571)</u>	<u>\$ 25,998</u>	<u>\$ (157,573)</u>
Net income (loss)	(17,385)		(17,385)
Transfer (to) from restricted assets	<u>(4,362)</u>	<u>4,362</u>	<u>0</u>
Balance June 30, 2000	<u>\$ (205,318)</u>	<u>\$ 40,360</u>	<u>\$ (164,958)</u>
Net income (loss)	(8,505)		(8,505)
Transfer (to) from restricted assets	<u>(4,362)</u>	<u>4,362</u>	<u>0</u>
Balance June 30, 2001	<u>\$ (218,185)</u>	<u>\$ 44,722</u>	<u>\$ (173,463)</u>

The accompanying notes are an integral part of the financial statements.

**WATERWORKS DISTRICT #7 OF EAST FULTONIA PARISH**  
**STATEMENT OF REVENUES AND EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2000**  
**(WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 2000)**

	<u>2001</u>	<u>2000</u>
<b><u>OPERATING REVENUES</u></b>		
Water sales	\$ 181,345	\$ 174,637
Safe water drinking fee	1,892	0
Late fees	<u>7,626</u>	<u>7,081</u>
	<u>191,463</u>	<u>181,718</u>
<b><u>OPERATING EXPENSES</u></b>		
Advertising	51	85
Bank charges	80	72
Bill processing and management fees	66,170	53,763
Board fees	3,180	4,440
Depreciation and amortization	50,348	46,643
Fees and subscriptions	480	504
Insurance	4,396	3,632
Legal and professional	7,555	6,409
Miscellaneous	0	832
Office expenses	52	44
Repairs and maintenance	20,065	29,586
SAFII water drinking fee	1,892	0
Salaries	1,800	1,843
Taxes and licenses	158	592
Travel	219	477
Utilities	<u>18,263</u>	<u>17,602</u>
	<u>185,562</u>	<u>165,252</u>
<b><u>OPERATING INCOME (LOSS)</u></b>	<u>22,401</u>	<u>15,996</u>
<b><u>NONOPERATING REVENUES (EXPENSES)</u></b>		
Interest income	2,628	1,771
Miscellaneous income	1,892	29
Rail fines	(1,080)	(2,004)
Interest expense	<u>(33,038)</u>	<u>(33,181)</u>
	<u>(31,341)</u>	<u>(33,381)</u>
<b><u>NET INCOME (LOSS)</u></b>	<u>\$ 22,401</u>	<u>\$ (12,385)</u>

The accompanying notes are an integral part of the financial statements.

**WATERWORKS DISTRICT #1 OF EAST FULCRANA PARISH**  
**STATEMENT OF CASH FLOWS**  
**JUNE 30, 2001**

(WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 2000)

	<u>2001</u>	<u>2000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss)	\$ (8,505)	\$ (17,952)
Noncash items included in net income (loss):		
Depreciation and amortization	50,788	45,640
Bad debt provision	1,080	2,600
(Increase) decrease in:		
Accounts receivable	(4,277)	(6,836)
Prepaid expenses	105	(488)
Accrued interest	8	135
Restricted assets	(4,982)	(4,592)
Increase (decrease) in:		
Accounts payable	5,839	(36,414)
Customer deposits	2,850	3,269
Accrued payroll taxes	7	0
Accrued interest payable	0	(9,736)
Sales tax payable	323	88
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>43,288</u>	<u>(62,227)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition and construction of capital assets	<u>(8,933)</u>	<u>(222,134)</u>
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>(8,933)</u>	<u>(222,134)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Grants received in aid of construction	5,500	327,580
Refinement of long-term debt	<u>(6,230)</u>	<u>(7,521)</u>
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<u>(6,230)</u>	<u>220,177</u>
<b>NET INCREASE/DECREASE IN CASH</b>	<u>31,695</u>	<u>(62,174)</u>
<b>UNRESTRICTED CASH AT BEGINNING OF YEAR</b>	<u>36,382</u>	<u>41,936</u>
<b>UNRESTRICTED CASH AT END OF YEAR</b>	<u>\$ 68,077</u>	<u>\$ 26,582</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
Cash paid for interest	<u>\$ 35,054</u>	<u>\$ 42,850</u>

The accompanying notes are an integral part of the financial statements.

WATERWORKS DISTRICT #1 OF EAST FELICIANA PARISH  
SCHEDULE OF EXPENDITURES FOR FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001

Federal Grant/Pass-through Grant/Program Title	Federal CFDA Number	Federal Financial Assistance Expenditures
U.S. Department of Agriculture, Office for Rural Development		
Water and Waste Disposal Systems for Rural Communities	10.418*	\$622,841

\* Outstanding loan balances--Major Programs as defined by OMB Circular A-133

The accompanying notes are an integral part of the financial statements.

**WATERWORKS DISTRICT #7 OF EAST FELICIANA PARISH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2001**

**NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Waterworks District #7 of East Feliciana Parish is a component unit of East Feliciana Parish Police Jury and was organized to provide water distribution services to residents of East Feliciana Parish.

This fund is a proprietary fund of the East Feliciana Parish Police Jury. A proprietary fund, also known as an enterprise fund, is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**A. Basis of Accounting**

The financial statements of Waterworks District #7 are maintained on an accrual basis of accounting. This method recognizes revenues when they are earned, and expenses when they are incurred. The District complies with Generally Accepted Accounting Principles.

**B. Accounts Receivable**

The District's billing cycle may extend into the subsequent year. If that should be the case, accounts receivable at June 30, 2001 have been adjusted to reflect for a year-end cut-off date.

**C. Taxes**

Waterworks District #7 is a proprietary fund of East Feliciana Parish Police Jury. Consequently, they are exempt from paying federal and state income tax. All other local, state and federal taxes are paid current.

**D. Deposited Funds**

Under state law, Waterworks District #7 of East Feliciana Parish may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in United States bonds, treasury notes or certificates, and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. Deposits (cash and certificates of deposit) are carried at cost which equals market value. The carrying amount of deposits as of June 30,

**WATERWORKS DISTRICT #7 OF EAST FELICIANA PARISH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2001**

**NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

2001 was \$113,859. One hundred percent of the cash deposits of the District were covered by Federal depository institutions during the year ended June 30, 2001.

**E. Operating Units**

The accompanying financial statements include only the accounts and transactions of Waterworks District #7 of East Feliciana Parish. The Waterworks District is owned by the East Feliciana Parish Police Jury which is the governing authority of East Feliciana Parish, Louisiana. The governing authority appoints members of the Water District's Board of Directors. The board exercises all administrative functions with respect to the operation and management of the Water District.

**F. Plant and Equipment**

Plant and equipment are stated at cost and do not purport to represent replacement or realizable values. The cost of depreciable property, plant and equipment is charged to earnings over the estimated useful lives of the assets. Expenditures for maintenance and repairs are charged to expenses as incurred; expenditures for renewals and betterments are generally capitalized. When properties are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in revenue. Depreciation of all depreciable property, plant and equipment is computed using the straight-line method over the following lives:

<u>ASSET</u>	<u>ESTIMATED USEFUL LIFE</u>
Water System	10-20 years
Land	N/A

**G. Statement of Cash Flows**

For the purposes of the statement of cash flows, cash and cash equivalents are defined as unrestricted demand deposits and highly liquid investments available for current use with an initial maturity of three months or less.

**H. Comparative Data**

Comparative data for the prior period has been presented in the accompanying financial statements to provide an understanding of the changes in the District's financial position and

WATERWORKS DISTRICT #7 OF EAST FELICIANA PARISH  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2003

**NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*operations.*

**I. Interest Capitalization**

Interest costs are capitalized when incurred on debt where proceeds were used to finance construction costs. For the year ending June 30, 2003, no interest was capitalized.

**J. Concentration of Credit Risk**

In the normal course of business, the District extends unsecured credit to its customers in East Feliciana Parish in the state of Louisiana.

**K. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

**L. Basis of Presentation**

The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1988, unless those pronouncements conflict with or contradict GASB pronouncements.

**NOTE #2: RESTRICTED ASSETS**

The Kentucky Bond Resolution, Section 8, adopted the Friday of September 1983, amended on the 15th day of February, 1987 and on the 3rd day August 2000 provides for all income and revenue derived from the operations of the District to be pledged for the security and payment of Series A Bond and Series 2000 Water Revenue Bonds.

All income and revenues derived from the operation or ownership of the System shall be deposited periodically as the same may be collected in a separate and special bank account to be established with the regularly designated fiscal agent bank of the District and to be known as the Waterworks System Revenue Fund (the "Revenue Fund"). Said fund shall be established, maintained and administered and the moneys deposited therein shall be expended for the following expenses payable in the following order of priority:

WATERWORKS DISTRICT #7 OF EAST PILICIANA TOWN  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2001

**NOTE #2: RESTRICTED ASSETS (CONTINUED)**

- (A) The payment of current expenses of the System from month to month as the same become due and payable. Current expenses will not exceed the reasonable and necessary costs of operating, repairing, maintaining, and insuring the System.
- (B) The establishment and maintenance of a Waterworks System Revenue Bond and Interest Sinking Fund (the "A Bond Sinking Fund"), sufficient in amount to pay promptly and fully the principal of and interest on the Bond, including any past due bonds issued hereafter in the manner provided in the resolution, as they severally become due and payable, by depositing with the depository bank by transferring from said Revenue Fund to the Bond Sinking Fund before the 20th day of each month of each year beginning on the first day of the month following delivery of this bond, a sum equal to one-twelfth (1/12) of the interest falling due on the Bond on the next interest payment date and, in addition, a sum equal to one-twelfth (1/12) of the principal on the bond falling due on the next principal payment date, together with such additional proportionate sums as may be required as the same shall respectively become due. Money in the Sinking Funds shall be deposited as trust funds and shall be used solely and is hereby expressed and exclusively pledged for the purpose of paying principal and interest on the Bond and parity bonds. The payment is now being remitted monthly, by bank draft, to USIDA, Department of Rural Development, the current bond holder. As of June 30, 2001 Waterworks District #7 had made the payments as required by the agreement. Following the required payments to the Bond Sinking Fund, the monies remaining in the Revenue Fund shall be distributed in accordance with the following paragraphs:
- (C) The establishment and maintenance of a Waterworks System Revenue Bond Reserve Fund (hereinafter called the "Reserve Fund"), by transferring to the depository bank (a member of the Federal Deposit Insurance Corporation) monthly, in advance, on or before the 20th day of each month of each year, beginning not later than the first full month in which the System becomes revenue-producing, a sum equal to One Hundred Eighty-One dollars (\$181.00) the payments to continue until such time as there has been accumulated therein a sum equal to Forty thousand Two Hundred Seventy Five dollars and Ninety cents (\$43,275.90) the highest annual debt service, including both principal and interest payable in any future fiscal year on the outstanding principal of the Bond. The money in the Reserve Fund is to be retained solely for the purpose of paying the principal of and the interest on all bonds payable from the Bond Sinking Fund as to which there would otherwise be default. As of June 30, 2001, Waterworks District #7 had made the payments as required by the agreement.
- (D) The establishment and maintenance of a "Depreciation and Contingency Fund" by transferring from the said Revenue Fund on or before the 20th day of each month commencing with the first

**WATERWORKS DISTRICT #7 OF EAST FELICIANA PARISH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2001**

**NOTE #2: RESTRICTED ASSETS (CONTINUED)**

full month in which the complete System becomes revenue-producing, to the depository bank, the sum of One Hundred and Two dollars (\$102.00) until the project being funded with the Series 2000 Bonds is completed, and then One Hundred Eighty Five dollars (\$185.00) per month over the life of the bonds. All moneys in the Depreciation and Contingency Fund may be drawn on and used by the District for the purpose of paying the cost of annual or extraordinary maintenance, repairs, replacements and so on, and the cost of improvements to the System which will either enhance its revenue-producing capacity or provide a higher degree of service. In the event the available balances in the Bond Sinking Fund and/or Reserve Fund shall at any principal or interest payment date be insufficient to pay the next installment of principal and/or interest and to maintain the required debt service, reserve funds on deposit in the Depreciation and Contingency Fund shall be transferred in such amounts as are necessary to eliminate the deficiencies, respectively, in the Bond Sinking Fund and the Reserve Fund. As of June 30, 2000, Waterworks District #7 had restricted the required payments to this fund.

**NOTE #3: BONDS PAYABLE**

The following is a summary of bond transactions of the Water District for the year ended June 30, 2001:

Revenue bonds issued July 8, 1988 (Beginning)	\$ 272,387
Revenue bonds retired, during the year	<u>4,263</u>
Revenue bonds payable, end of year	<u>268,124</u>
 Revenue bonds issued July 20, 1990 (Beginning)	 65,100
Revenue bonds retired, during the year	<u>1,140</u>
Revenue bonds payable, end of year	<u>63,958</u>
 Revenue bonds issued August 1, 2000 (Beginning)	 252,773
Revenue bonds retired, during the year	<u>2,793</u>
Revenue bonds payable, end of year	<u>249,980</u>
 Total revenue bonds payable, end of year	 <u>\$ 522,062</u>

Bonds payable are comprised of the following individual issues:

\$202,680 - Waterworks Revenue Bonds, Series 1987 dated July 8, 1987, due in annual installments of \$21,263, including interest at 6.25%, beginning with the third anniversary date of the bond and thereafter for a period of forty years. The first two payments were for interest only in the amount of \$49,908.

**WATERWORKS DISTRICT #1 OF EAST FELICIANA PARISH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2001**

**NOTE 83: BONDS PAYABLE-CONTINUED**

**\$24,800** - Waterworks Revenue Bonds, Series 1991 dated July 28, 1991 due in monthly installments of \$297.84, including interest at 5.625%, beginning on August 8, 1995 and thereafter for a period of 25 years. A payment for interest only was due July 8, 1995 and was paid as of that date.

**\$225,000** - Waterworks Revenue Bonds, Series 2000 dated August 3, 2000 due in monthly installments of \$1,386.50, including interest at 4.75%, beginning on September 3, 2001 and thereafter for a period of 40 years. A payment of interest only was due on August 3, 2001 and was paid as of that date.

The annual requirements to amortize all debt outstanding as of June 30, 2001, including interest payments are as follows:

YEAR ENDING <u>JUNE 30,</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL REQUIREMENT</u>
2002	\$ 34,578	\$ 8,780	\$ 43,357
2003	34,003	9,223	43,227
2004	33,500	9,773	43,273
2005	32,919	10,358	43,277
2006	32,360	10,906	43,277
2007	31,645	11,632	43,277
Thereafter	<u>433,512</u>	<u>381,388</u>	<u>1,814,883</u>
	<b><u>\$652,598</u></b>	<b><u>\$822,041</u></b>	<b><u>\$1,474,642</u></b>

Total requirements for the reserve and contingency requirements for the next five years are \$4,702 each year.

**NOTE 84: PROPERTY, PLANT AND EQUIPMENT**

The following is a summary of changes in property, plant and equipment for the fiscal year:

	<u>BALANCE 6/30/00</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE 6/30/01</u>
Land	\$ 9,400			\$ 9,400
Water System	<u>1,871,482</u>	<u>8,503</u>	<u>—</u>	<u>1,880,482</u>
	<b><u>\$1,880,882</u></b>	<b><u>8,503</u></b>	<b><u>—</u></b>	<b><u>\$1,889,382</u></b>
Accumulated Depreciation and amortization				
Water System	<u>\$ 312,803</u>	<u>\$ 50,188</u>	<u>—</u>	<u>\$ 368,203</u>

**WATERWORKS DISTRICT #7 OF EAST FOLLIANA PARISH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2001**

**NOTE #5: RELATED PARTY TRANSACTIONS**

The Water District obtains water under the terms of a local service agreement entered into with East Feliciana Parish Police Jury. The water is obtained from a well which was constructed with proceeds from a HUD grant (\$155,000) to East Feliciana Parish Police Jury. The well is located on property owned by Waterworks District #7 of East Feliciana Parish.

The service agreement provides for a 50 year lease commencing on the date the well is first placed into service. The District is to operate and maintain the water well. The Parish has granted to the District a franchise to operate a waterworks utility system.

The sole consideration obligated to be paid by the District is to issue waterworks revenue bonds to place into operation a waterworks utility system for use and benefit of customers in East Feliciana Parish.

The District has the option to purchase the water well from the Parish at any time by paying to the Parish a sum equal to the original cost of the well less depreciation as may be certified by the District's Consulting Engineer.

The District and the Parish covenant and agree that no action will ever be taken by the Parish or District which would have the effect of impairing the security for or the payment of the Waterworks revenue bond.

**NOTE #6: CERTIFICATE OF DEPOSIT**

The District has the following certificate of deposit with Feliciana Bank & Trust Company:

		ANNUAL	
		INTEREST	
<u>MATURITY</u>	<u>DATE</u>	<u>RATE</u>	<u>AMOUNT</u>
	November 2, 2003	4.25%	\$ 10,000

**NOTE #7: COMPENSATION PAID TO BOARD MEMBERS**

<u>BOARD MEMBER</u>	<u>TERM EXPIRES</u>	<u>AMOUNT</u>
Mary Dunn	July 2003	\$ 720
Samuel Brown	July 2003	600
Charly Jackson	July 2003	600
Larry Gaudin	July 2003	600
Roger Hunt	July 2003	600
		<u>\$3,120</u>

WATERWORKS DISTRICT #2 OF EAST FULBIAHIA PARISH  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2001

**NOTE #8: AGING OF ACCOUNTS RECEIVABLE**

Aging of accounts receivable as of June 30, 2001 is as follows:

	<u>CURRENT</u>	<u>30 DAYS</u>	<u>60 DAYS</u>	<u>90 DAYS</u>	<u>TOTAL</u>
Active	\$22,997	\$ 3,784	\$ 2,523	\$ 2,878	\$32,182
Inactive	____0	____48	____31	16,688	16,767
Total	<u>\$22,997</u>	<u>\$ 3,732</u>	<u>\$ 2,554</u>	<u>\$18,716</u>	<u>\$47,999</u>

Provision for uncollectible accounts receivable amounted to \$20,108 as June 30, 2000. Included in the accounts receivable balance sheet total is \$34,958 unbilled receivable due to the billing cycle cut off at year end.

**NOTE #9: LEASE**

The District entered into a sixty year lease for land commencing on August 1, 1999 and terminating on August 2, 2059 after prepaying \$5,000 for the entire term of the lease. This amount has been recorded as a fixed asset and is being amortized over the lease period. Amortization was recorded in the amount of \$83.48 for the current year and is included in the depreciation expense. Accumulated amortization was \$423 as of June 30, 2001.

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September 20, 2001

## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors  
Waterworks District #7 of  
East Feliciana Parish  
Clinton, Louisiana 70022

My report on my audit of the general purpose financial statement of

### WATERWORKS DISTRICT #7 OF EAST FELICIANA PARISH

As of and for the year ended June 30, 2001, appears on Page 1. That audit was made for the purpose of forming an opinion on the basic general purpose financial statement taken as a whole. The supplementary information and statistical data on pages 18 through 21 is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of Waterworks District #7 of East Feliciana Parish. This information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and accordingly, I express no opinion on it.



**WATERWORKS DISTRICT #2  
OF EAST TEXASIA PARISH  
SUPPLEMENTARY INFORMATION  
STATEMENT OF REVENUES AND EXPENSES  
PERCENTAGE OF TOTAL OPERATING REVENUE  
FOR THE YEAR ENDED JUNE 30, 2001**

	<u>AMOUNT</u>	<u>PERCENTAGE OF TOTAL OPERATING REVENUE</u>
<b><u>OPERATING REVENUE</u></b>		
Water Sales	\$ 183,477	95.9
Late fees	<u>2,936</u>	<u>.1</u>
Total	<u>186,413</u>	<u>100.0</u>
<b><u>OPERATING EXPENSES</u></b>		
Advertising	51	.0
Bank charges	90	.0
Bill processing and management fees	60,170	31.4
Board fees	3,180	1.7
Depreciation	50,388	26.3
Data and subscriptions	490	.3
Insurance	4,336	2.3
Legal and professional	7,555	4.0
Miscellaneous	0	.0
Office supplies	52	.0
Repairs and Maintenance	26,003	10.5
SAFEL water drinking fee	1,892	1.0
Salaries	1,800	1.0
Taxes and licenses	158	.1
Travel	219	.1
Utilities	<u>18,263</u>	<u>9.3</u>
	<u>168,587</u>	<u>89.1</u>
<b><u>NET OPERATING INCOME (LOSS)</u></b>	<u>22,826</u>	<u>11.2</u>
<b><u>NONOPERATING REVENUES (EXPENSES)</u></b>		
Interest income	1,825	1.5
Miscellaneous income	1,892	1.0
Bad debts	(1,000)	(.5)
Interest expense	<u>(35,038)</u>	<u>(18.3)</u>
	<u>(31,321)</u>	<u>(16.3)</u>
<b><u>NET LOSS</u></b>	<u>(8,495)</u>	<u>(4.4)</u>

See auditor's report on supplementary information.

**WATERWORKS DISTRICT #7  
OF EAST FELICIANA PARISH  
SUPPLEMENTARY INFORMATION  
STATISTICAL DATA  
JUNE 30, 2001**

<u>MONTH</u>	<u>NUMBER OF CUSTOMERS</u>	<u>GALLONS (THOUSANDS)</u>	<u>AMOUNT</u>
July	790	4,898.6	\$ 15,717
August	719	5,127.9	18,267
September	732	6,427.9	18,768
October	735	4,870.4	15,665
November	717	4,193.8	14,564
December	717	5,899.7	17,586
January	719	5,203.1	16,383
February	717	5,714.9	18,513
March	715	5,897.4	19,274
April	711	4,607.8	15,533
May	716	3,950.6	13,900
June	716	<u>5,003.8</u>	<u>20,704</u>
Total		<u>58,094.1</u>	<u>\$181,978</u>
AVERAGE	720		

See auditor's report on supplementary information.

**WATERWORKS DISTRICT #2  
OF EAST LUCIANA PARISH  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF INSURANCE IN FORCE  
JUNE 30, 2001**

<u>NUMBER</u>	<u>EXPIRATION DATE</u>	<u>COMPANY AND COVERAGE</u>	<u>AMOUNT</u>
8PWSL3135	5/5/00- 5/5/02	Galland General Agency, Inc. General Liability Insurance Average Limit Each Occurrence Limit Fire Damage Limit Medical Expense Limit	  \$ 600,000 \$ 100,000 excluded excluded
66586855	2/18/91- 2/18/92	Western Surety Company Fidelity Bond	\$ 30,000
HCIF2189	12/2/90- 12/2/91	Galland General Agency, Inc. Property (Business/personal) Damage Aggregate Limit	\$ 80,000
22983-1	5/5/00- 5/4/02	Louisiana Worker's Compensation Corp. Workers Compensation	Statutory

See auditor's report on supplementary information.

**WATERWORKS DISTRICT #7  
OF EAST HULIANA PARISH  
SUPPLEMENTAL INFORMATION  
COMPARATIVE DATA  
JUNE 30, 2021**

	<u>TIME 20</u>			
	<u>2021</u>	<u>2020</u>	<u>1999</u>	<u>1998</u>
Operating Revenues	\$ 191,403	\$ 181,318	\$ 149,455	\$ 129,841
Operating Expenses	<u>168,567</u>	<u>169,252</u>	<u>123,271</u>	<u>98,862</u>
Operating Income(Loss)	<u>22,836</u>	<u>12,066</u>	<u>26,184</u>	<u>30,979</u>
Nonoperating Revenue	4,317	1,130	7,638	699
Nonoperating Expenses	<u>(26,028)</u>	<u>(25,181)</u>	<u>(24,787)</u>	<u>(23,557)</u>
<b>NET INCOME (LOSS)</b>	<u><b>(8,505)</b></u>	<u><b>(17,285)</b></u>	<u><b>8,723</b></u>	<u><b>(1,113)</b></u>
<b>OTHER DATA:</b>				
Property, plant and equipment (net)	1,521,721	1,543,186	1,287,585	895,579
Net Working Capital	58,147	24,787	18,287	(58,193)
Total Assets	1,665,271	1,667,477	1,407,889	935,876
Bonds and Other long-term liabilities	613,333	632,641	636,360	342,582
Total equity	1,803,317	1,806,323	696,287	593,483
Average # of Customers	720	703	576	523
Cubic Gallons of Water	58,094.1	52,357.1	49,833.4	48,334.4
Number of Residential Users	798	697	644	
Number of Commercial Users:	8	6	6	
Number of Commercial users With 3/4" Meter:	0	0	0	

See auditor's report on supplementary information.

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## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

September 28, 2001

Waterworks District #7 of  
East Feliciana Parish  
Clinton, Louisiana

I have audited the general purpose financial statements of Waterworks District #7 of East Feliciana Parish's as of and for the year ended June 30, 2001, and have issued my report thereon dated September 28, 2001. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### COMPLIANCE

As part of obtaining reasonable assurance about whether Waterworks District #7 of East Feliciana Parish's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my test disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing my audit, I considered Waterworks District #7 of East Feliciana Parish's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving internal control over financial reporting and its operations that I consider to be reportable conditions.

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(CONCLUDED)

Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect Waterworks District #7 of East Feliciana Parish's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 58.1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe none of the reportable conditions described above is a material weakness. I also noted other matters involving the internal control over financial reporting that we have reported to management of Waterworks District #7 of East Feliciana Parish, in a separate letter dated September 20, 2004.

This report is intended solely for the information and use of the Board of Directors of Waterworks District #7 of East Feliciana Parish, East Feliciana Parish Police Jury, United States Department of Agriculture and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under L.A. Revised Statute 24:513, the Legislative Auditor disseminates this report as a public document.



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## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

September 20, 2001

Waterworks District #7 of  
East Feliciana Parish  
Clinton, Louisiana

### COMPLIANCE

I have audited the compliance of Waterworks District #7 of East Feliciana Parish with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2001. Waterworks District #7 of East Feliciana Parish's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Waterworks District #7 of East Feliciana Parish's management. My responsibility is to express an opinion on Waterworks District #7 of East Feliciana Parish's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Waterworks District #7 of East Feliciana Parish's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133  
CONTINUED

I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Waterworks District #7 of East Feliciana Parish's compliance with these requirements.

In my opinion, Waterworks District #7 of East Feliciana Parish complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001.

INTERNAL CONTROL OVER COMPLIANCE

The management of Waterworks District #7 of East Feliciana Parish is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered Waterworks District #7 of East Feliciana Parish's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of internal control over compliance would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a sufficiently low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors of Waterworks District #7 of East Feliciana Parish, East Feliciana Parish Police Jury, United States Department of Agriculture and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties. Under E.O. Revised Statute 24:513, the Legislative Auditor distributes this report as a public document.



**WATERWORKS DISTRICT #7  
OF EAST FELICIANA PARISH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2001**

I have audited the financial statements of Waterworks District #7 of East Feliciana Parish as of and for the year ended June 30, 2001, and have issued my report thereon dated September 20, 2001. I conducted my audit in accordance with generally accepted accounting standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2001, resulted in an unqualified opinion.

**Section 1      Summary of Auditor's Reports**

**1. Report on Internal Control and Compliance Material to the Financial Statements**

**Internal Control:** There was one reportable condition (item 98-1) relating to the audit of financial statements that is reported in the Independent Auditor's Report on Internal Control.

**Compliance:** No instances of noncompliance material to the financial statements of Waterworks District #7 of East Feliciana Parish were disclosed during the audit.

**2. Federal Awards**

1. There was one federal award, CFDA #10.418 with the US Department of Agriculture, office for Rural Development which is a loan guarantee program for Water and Waste Disposal Systems for Rural Communities. There were no findings material to this program.

**Section 2      Financial Statement Findings**

None

**Section 3      Federal Award Findings and Questioned Costs**

None

**Section 4      Internal Control and Compliance Material to the Financial Statements**

**98.1      REPORTABLE CONDITION**

The management company that the District contracts with to operate the system does not have the number of personnel necessary to have separation of duties in the customer billing process. The same person collects payments, if bills are paid in person, posts payments to customers accounts, processes customer bills and makes adjustments to customer bills.

This was also an reportable condition in the prior year audit.

**MANAGEMENT'S RESPONSE:**

We have no control over the internal controls which are practiced by the management

WATERWORKS DISTRICT #1  
OF EAST FELICIANA PARISH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2001  
(Continued)

company. We have been trying to locate an alternative billing arrangement but have been unable to locate any viable alternative at this time. We are continuing to investigate our options.

**CRITERIA :**

Good internal control requires separation of duties.

**EFFECT:**

There was no misstatement that was located.

**Section 5 Internal Control and Compliance Material to Federal Awards**

None

**Section 6 Management letter**

Please refer to the management letter dated September 20, 2001.

**WATERWORKS DISTRICT #7**  
**OF EAST FELICIANA PARISH**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**JUNE 30, 2004**

**Section I: Internal Control and Compliance Material to the Financial Statements**

**99.1 Reportable Condition**

The management of the District approved a thirteenth paycheck for the systems secretary in order to repay for mileage and other out of pocket costs incurred on behalf of the District. The recommendation was that all expenses which are accounted for to the District should be reimbursed in a check which is separate from payroll.

This is being done

**98.1 The management company that the District contracts with to operate the system does not have the number of personnel necessary to have a separation of duties in the customer billing process.**

The District has no control over the internal controls of the management company. This finding is still a reportable condition for the current year.

**Section II: Internal Control and Compliance Material to Federal Awards**

**98.2 Some of the quarterly FWHIA Form 442-2 required by the U.S. Department of Agriculture had not been filed due to lack of available funds.**

All required reports were filed during the current year.

**Section III: Management Letter**

None